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25X1

PRECONTRACT APPROVAL RECORD (PART ONE)

CONTRACTOR: [redacted]

CONTROL NO.: EAR-0051-68 25X1A
Copy 1 of 2

CONTRACT NO.: [redacted](657)-12846
FH-7322

AMENDMENT NO.: 13

7 May 1968

THIS CONTRACT APPROVAL RECORD CONTAINS A RECOMMENDATION SUBMITTED FOR CONCURRENCE OF THE UNDERSIGNED. CONCURRENCE IN THIS PRECONTRACT APPROVAL RECORD IS RECOMMENDED BY THE CONTRACTING OFFICER. BY CONCURRENCE, THE CHIEF, BUDGET AND FINANCE BRANCH, SIGNIFIES THAT SUFFICIENT FUNDS ARE AVAILABLE (NOT INCLUDING CONTINGENT & EXPOSURE) AND/OR HAVE BEEN ADJUSTED AS PROVIDED IN THIS DOCUMENT.

TYPE OF CONTRACT

☐ L.I.	☐ F.P. REDETERM	☒ CPIF	☐ TECH REP
☐ DEFINITIZED	☐ FPIP	☐ T&M	☐ FISCAL YEAR
☐ F.P.	☐ CPFF	☐ CALL TYPE	

25X1A

FINANCIAL DATA

CONTRAC	PREV	OR FY	PREVIOUS OBLIGATION - CURRENT
$ [redacted]	[redacted]		$ - 0 - 25X1A

25X1A

OBLIGATION BY THIS DOCUMENT

DESCRIPTION, PROGRAM OR LINE ITEM	FISCAL YEAR	PROJECT	AMOUNT
EMR System	~~1967~~ 1966	EARNING	$ [redacted]
			25X1A
TOTAL THIS OBLIGATION → DEOBLIGATION			$ [redacted]
CONTINGENT UPON AVAILABILITY OF FUNDS			
EXPOSURE LIABILITY			

RATE	DATE	RATE	DATE
CPFF O/H RATES FIXED THRU		PRICING FORMULA FIXED THRU	
T&M RATES FIXED THRU		TECH REP RATES FIXED THRU	

25X1A

RECORDATION

DATE: 5/22/68

25X1A

UNIT		DATE
CONTRACTING OFFICER	[redacted]	5/22/68
BUDGET & FINANCE		23 MAY 1968
GENERAL COUNSEL		22 May 68
TECHNICAL REPRESENTATIVE		
TECHNICAL REPRESENTATIVE		

25X1A

CONTRACT S	ng Officer)	DATE	DATE MAILED	DATE DISTRIBUTED
[redacted]		5/22	23 MAY 1968	11 June '68

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FORM 11-63 2167

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GROUP 1
Excluded from automatic downgrading and declassification

(12)

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PRECONTRACT APPROVAL RECORD
(PART TWO)

CONTRACT [ ] 25X1A

The services and equipment being procured by this Contract No. FH-7322 Amendment No. 13 are in furtherance of the EARNING Program(s), the nature of which cannot be publicly disclosed for security reasons. The Contracting Officer therefore determines that this procurement must be accomplished by negotiations pursuant to the authority of Section 3(a) of PL 81-110 and Class Determination and Finding, OXC 2122, signed by the DDCI on 15 October 1961.

Certification of funds for this contract will be handled under the procedure approved by the Director of Central Intelligence on 15 December 1956 which, in effect, results in all covert expenses involving issuance of Treasury Checks being accumulated in a separate account within the Finance Division. The amounts in this account will be periodically scheduled for certification of the vouchers by the Director. This procedure eliminates the necessity for a separate certification of authority under Section 8(b) of Public Law 110, 81st Congress (formerly 10(b) - see 85-507 dated 7/7/58) for each contract.

The following comments describe the procurement hereby effected, the terms and provisions generally of this contract/amendment, and a resume of major issues negotiated:

1. This amendment incorporates a spares list and two ECP's.

2. The following cost and fee factors were proposed by the contractor:

Item	[ ] 25X1A
Spares List 36	
ECP 1940-29	
ECP 1900-30	
Total Cost	
Fee	
TOTAL	

25X1A

3. The above costs were examined by the DCAA (See audit reports) and the Government's technical representative [ ] No exceptions were taken to the proposed cost or fee; therefore, the Contractor's proposal was accepted.

25X1A

4. This contract is expected to be completed with an approximately [ ] underrun. This amendment deobligates [ ] for use on [ ]1200.

25X1A

[ ]

Proj: EARNING
Code: 676I-1021
MOR : 211203
Amt : [ ]

25X1A

[ ] SPO says ok

25X1A

[ ]

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GROUP 1
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Subject : Negotiation Evaluation of Price Proposals

25X1A [redacted]

25X1A Contract [redacted] (657)-12843, Spares Lists 69 and 70

: Contractor Offeror

25X1A : [redacted] Technical Proposal dtd. 24 April 1968

1- Purpose of Evaluation

Per request, an evaluation has been made of the Contractor's CPIF Proposals, for the purpose of determining reasonableness of the estimated costs. The spare parts proposed relate to the following

Spare Part List No	Description of Spare Parts	Estimated Cost
List #69-	For Recorder W/B Analog Monitor	33,107
List #70-	For Disc Recorder For W/B Analog Processor	14,150

2- Results of Evaluation

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auditor verified the prices of the purchased parts from various sources and considered the base prices negotiated. The factor of 1.27065 applied represents the negotiated mark-up for non-labor bearing spare parts, the auditor accepted the Contractor's proposal ✓

Foot Note (6) - Detailed explanation of the auditor's recommendations are contained in Exhibit A

3- Scope of Evaluation

The review included an examination of the labor, overhead and general and administrative rates as well as the prices of the estimated bill of materials and other direct costs. It should be noted, a review of the direct labor hours as well as the items of negotiated materials, by a qualified technical representative may result in further cost reductions

4- Comments

25X1A The Contractor has negotiated a fee based on [redacted] of the estimated costs. The original negotiated target fee was based on [redacted] of the base target costs. 25X1A

5- Discussions with Contractor

The audit findings were discussed with the

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Contractor's business agent's home address and phone

25X1A

[redacted]

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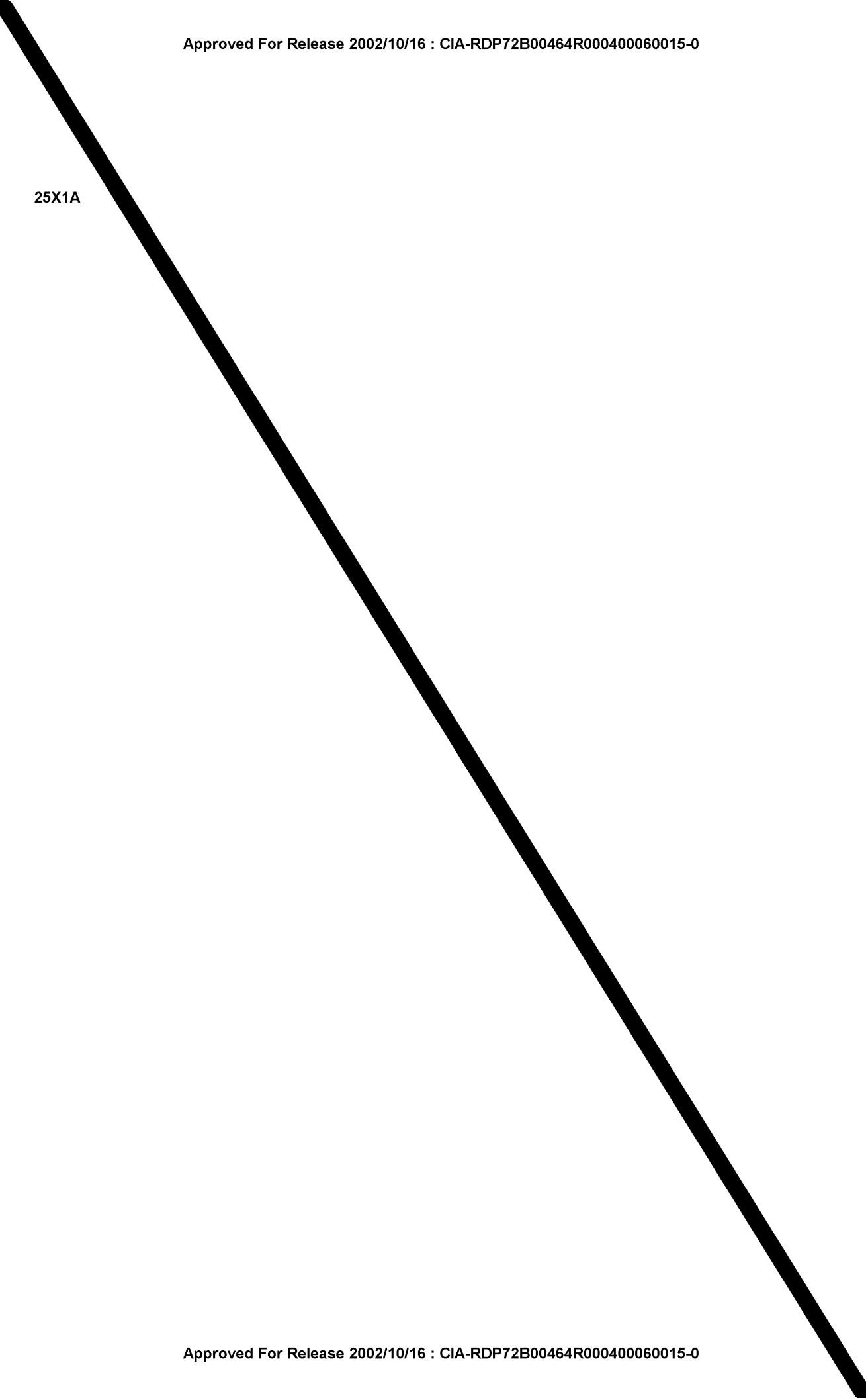
25X1A



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25X1A

25X1A b- Engineering Burden [redacted] Manufacturing Burden [redacted] and
25X1A [redacted] as proposed are considered acceptable for this report
since they represent the latest actuals rate for use in
bid proposals by Contractor and DCAA Resident Auditor.
Furthermore, the proposed rate compare favorably with the
current experience.

c- The Contractor's proposed purchase parts were [illegible] to
vendor's quotes, purchase orders and catalogues and no
exception worth noting were uncovered. The cost
questioned of $357 represents the auditor's exception to an
25X1A approximate [redacted] addition in purchased parts, for the following
assemblies only, for shrinkage. The contractor cannot
support this factor with historical data or adjust the cost
therefore questioned.

ILLEGIB

[redacted]

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Audit Report No C1-68-14

Subject : Report on Evaluation Spare Parts Proposal

25X1A [redacted]

25X1A Contract [redacted] (657) 12846 - List #36

To : Contracting Officer

25X1A Ref : [redacted] Technical Proposal dated 24 April 1968

1- Purpose of Evaluation

Per request, an evaluation has been made of the CPIF Contractor's ~~Bid~~ proposal for the purpose of determining the reasonableness of the estimated costs of spare parts for the system monitor test set, list #36. The selling prices 25X1A
25X1A of [redacted] includes a fee of [redacted]

2- Scope of Evaluation

The review included an examination of the labor, overhead and general and administrative rates as well as the pricing of the estimated bill of materials and travel costs.

3- Results of Review

The auditor recommends acceptance of the contractor's estimated costs subject to the comments and recommendations contained in the following analysis:

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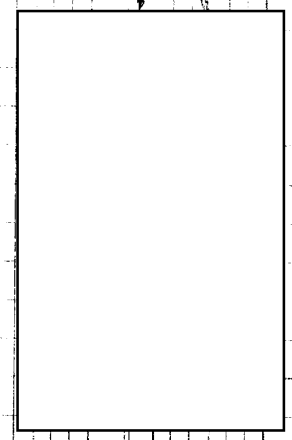
Re
Contractor's
Proposal Comments



25X1A

Direct Labor - Engineering	a
Manufacturing	a
Burden - Engineering	b
- Manufacturing	b
Materials	c
Travel & Subsistence	d
Subtotal	
General and Administrative	b
Total Cost	
Fee Requested	
Total Selling Price	

Comments

a - (1) The direct labor hours should be reviewed by a technical representative.

(2) - For the purpose of this report only, the auditor accepts the contractor's estimated labor rates. Although at this time, there are no agreed to hourly bid rates for the engineering dept, any recommended reduction based on the contractor's current experience would result in only an insignificant cost ~~reduction~~ adjustment. The manufacturing hourly rates are considered acceptable since they are based on the schedule of acceptable hourly rates.

b The burden and G&A rates as proposed are acceptable since they represent the latest agreed to rates for use in bid proposals and furthermore compare favorably with the contractor's current experience.

Fee & Total Selling Price were adequately

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supported by purchase orders and current vendor's quotes and are therefore considered acceptable.

3- The pricing of the one (1) sub (1) day trip to the west coast for the purpose of checking out the spare on a test unit is considered acceptable for this report, but the need for this trip should be reviewed by a technical representative

4- Comments on Fee.

25X1A

The contractor has requested a fee based on [redacted] of the estimated costs. It should be noted, the original target fee negotiated for basic contract was based on [redacted] of the estimated target cost.

25X1A

25X1A

[redacted]

Auditor

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4507 - Bell
4507 - Grea

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Audit Report No. C1-68-16

Subject: Report on Evaluation of Price Proposal
25X1A [redacted]

25X1A Contract [redacted] (457) 12846-ECP-1940-29

To : Contracting Officer

Ref : [redacted] Technical Proposal ECP #1940-29 Dated 29 Apr. 1968

25X1A

1- Purpose of Evaluation:

Per request, an evaluation has been made of the Contractor's CPIF contract for the purpose of determining the 25X1A reasonableness of the estimated costs in the amount of [redacted] for the SCH Logic Plague and Memory RFI Retrofit.

2- Scope of Evaluation

The review included an examination of the labor - overhead, and general and administrative rates as well as the pricing of the estimated bill of materials.

3- Result of the Review

Subject to a review of the estimated labor hours by a technical representative, the Auditor accepts the proposed costs based on the following comments:

		Per Proposal	Comments	
25X1A	Engineering Labor	[redacted]	a	25X1A
	Engineering Burden		b	
	Material		c	
	General and Administrative		b	25X1A
	Total Cost			
25X1A	Fee Requested			
	Total Proposal			

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a- For the purpose of this report only, the auditor accepts the contractor's hourly rates, since the company furnished it with what the contractor is currently experiencing under their program.

b- The proposed burden and fee rates are those agreed to for use in bid proposal and are therefore acceptable for the purpose of the report.

c- The estimated material costs were adequately supported by a purchase order placed for the effort plus a current vendor's quote for the remaining items.

H- Comments on Fee

The contractor has negotiated a fee based on [redacted] of the estimated costs. It should be noted, the original target fee negotiated for the base contract was based on [redacted] of the estimated target costs.

25X1A

25X1A

[redacted]

25X1A

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